



OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

MEMORANDUM FOR LT. GENERAL SAMUEL V. WILSON
CHAIRMAN, NSCIC WORKING GROUP

FROM: *A. Foster Collins*
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SUBJECT: Critique of Intelligence Estimates

1. General

In accordance with the request of the NSCIC Working Group, we have selected and critiqued five Intelligence Estimates of interest to Treasury. Specific comments on each Estimate are listed below, but general comments applicable to all are as follows.

We think most Intelligence Estimates still suffer from being too general. They are most useful when they are specific and sharply focused on key policy issues. This requires either good detailed guidance from the policymaker when he requests the Estimate, or good staff work on the part of the NIOs to stay abreast of the policy issues, and to anticipate and relate the Estimate to the issues.

In recent years, the policymaker has often turned to the NSSM for the analysis of current policy issues and these usually contain an intelligence assessment similar to an NIE. The intelligence community often participates in the drafting, but we think it would improve both the NSSMs and the NIEs if the USIB were asked to produce an NIE as the intelligence input to NSSMs, when appropriate.

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We also think that certain Estimates, such as those on country prospects, could be improved considerably by being more dynamic and less descriptive. Specifically, they should deal more with the interplay between the political, economic, foreign relations and military factors involved. Too often these aspects are handled in separate sections and in too detached or isolated a manner. Treasury, of course, is particularly interested in seeing a fuller discussion of the impact of economic matters on the political, foreign policy, and military parts of the Estimate, as economic matters have become increasingly important and political in nature throughout the world. Treasury also considers that this growing importance of economic factors is not fully appreciated in many Estimates. We should add that we think Estimates have improved in this regard, but that they still have a way to go. We also realize that Treasury has a responsibility to assist in seeing that the economic dimension is more fully covered.

Finally, to get top readership, an NIE must be brief. Most are too long and general to go to a senior policymaker, with the exception of particular cases of special interest. Of course, a good summary is often sufficient for the busy reader who is not directly concerned with the subject. We do think the Precis of Estimates in the last year or so have generally been good on this score.

Perhaps part of this problem can be solved by more careful consideration of frequency and timing. For example, if a country prospects Estimate has been done in the recent past, follow-up Estimates can be more sharply focused to support a particular policy issue at hand. Estimates timed to a particular trip or foreign visit are often of more direct interest to a senior policymaker. We also recognize that some of the longer Estimates are useful as basic reference documents to senior staff or to officials who want a quick, overall view of a particular subject or area, but suggest that these should be distinguished as NIAMs rather than NIEs.

None of the five Estimates selected were initiated at Treasury's request, but they were nevertheless responsive in

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varying degrees to some of Treasury's policy concerns in their areas as the specific comments below will indicate.

2. NIAM 11-9-74: Soviet Detente Policy. (23 May 1974)

Generally useful to Treasury officials concerned with USSR as background for their responsibilities in East-West Trade and other economic policy areas.

Strong Points:

a. Well-written, thorough, penetrating analysis of an important subject - Soviet motivation and behavior.

b. Durable. Published in May 1974, would need little up-dating if re-issued today.

c. Covered the economic dimension of detente well.

Weak Points:

Good!
a. It may be unfair to suggest it, but while the study clearly sets forth what the West may expect from the Soviets, it would be more useful if it listed a few things that should not be expected of them under detente conditions.

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4. SNIE 30-74: Implications of Reopening the Suez Canal.
(21 February 1974)

This Estimate was directly related to the formulation of the U.S. position on repairing and restoring the Suez Canal to service. It was very useful to Treasury because of Treasury's interest in the economic impact of reopening the Canal.

Strong Points:

a. Useful in reducing some of the high expectations of those who saw major commercial advantages in the re-opening of the Canal; and placed in perspective the fears of those concerned with strategic advantages which would accrue to Soviet naval forces.

b. Treasury benefited from participating in several meetings of experts held to reconcile differences in methodology and approach regarding Estimates of the implications of the Canal reopening.

Weak Points:

a. The schedule for this SNIE was originally too tight to do the thorough analysis necessary and had to be extended.

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